



AMERICAN ASSOCIATION
of ADVERTISING AGENCIES

Washington Office

DOCKET FILE COPY ORIGINAL

RECEIVED

FEB 28 1997

Federal Communications Commission
Office of Secretary

February 28, 1997

Office of the Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

RE: MM Docket No. 95-176; FCC 97-4

Dear Secretary:

The American Association of Advertising Agencies (AAAA) is submitting this response to the Federal Communications Commission's (the FCC) request for comment on the Notice for Proposed Rulemaking regarding closed captioning of video programming.

The AAAA is the trade association of the advertising agency business. Our over 1,300 member advertising agency offices across the country produce 80% of the national advertising and substantial amounts of local and regional advertising.

AAAA agencies represent the entire spectrum of advertising interests, and provide both national and regional advertising, market research, promotions, collateral, public relations, and other integrated marketing services. AAAA agencies are authorities on innovative marketing techniques, including new interactive media technologies.

Introduction

AAAA appreciates the opportunity to comment on the proposed rule. Over 24 million Americans suffer from hearing impairments that range from hard-of-hearing to profoundly deaf. Aided by the Television Decoder Circuitry Act, which as of 1993 requires new television sets to carry captioning display capabilities, hearing-impaired viewers have expressed their desire for commercial messages and public service announcements to be closed captioned. Advertisers, desiring to increase awareness of their products and services to these viewers, have responded.

No. of Copies rec'd 076
List ABCDE

1899 L Street, N.W.
Washington, D.C. 20036-3891
(202) 331-7345 • Fax (202) 857-3675

Headquarters:
The Chrysler Building • 405 Lexington Avenue • New York, NY 10174-1801
(212) 682-2500 • Fax (212) 682-8391

In 1981, AAAA's Board of Directors passed a resolution urging our members to recommend to their clients that all commercials be closed captioned. AAAA members' early support for closed captioning has resulted in an annual increase in the number of commercials captioned.

The advertising industry has worked to ensure that hard-of-hearing consumers receive the same important product information as hearing consumers. The very nature of advertising, however, makes it functionally and economically burdensome to require that all broadcast commercials be captioned. We ask that the FCC exempt advertising from the closed captioning requirement for the following reasons:

- 1). Government mandates are unnecessary in this area, where marketplace incentives currently exist to entice advertisers to caption their commercials. Informal surveys show that the number of commercials captioned has increased yearly, and future projections show the trend continuing.
- 2). Time constraints inherent in the production of commercials make a caption requirement economically burdensome.
- 3). A caption requirement would be economically burdensome for many local advertisers, and could force small business owners to use more limited media.

1. The marketplace works -- government mandates are unnecessary.

An informal survey of four large captioning organizations indicates that, since 1992, the number of commercials they caption has steadily increased; in two cases by 75%-100% annually. This trend shows no sign of slowing, and occurred without government regulations requiring captioning. Instead, it is a result of advertisers responding to the special needs of the important hearing-impaired audience. A 1993 study by the National Captioning Institute showed that this audience is extremely loyal to sponsors and brands that caption programs and commercials. Advertisers know this and have responded accordingly.

The marketplace provides an important incentive for advertisers to caption commercials. One hundred percent of primetime network programming is captioned, and the advertisers that support that programming have attempted to follow suit. In our view, the natural forces of the marketplace make it unnecessary for the FCC to impose mandates in this area.

2. Time constraints prohibit advertisers from captioning all commercials.

The last-minute, time-intensive nature of advertising prohibits some commercials from being captioned. While AAAA encourages all its members to make good faith efforts to caption all commercials, we are concerned that mandated captioning would result in some commercials never making it on the air. Not only would this deny all consumers the opportunity to receive information about products and services, the net effect would be a decrease in the number of ads vying for program sponsorship. An advertiser whose commercial was pulled at the last minute because of insufficient time to caption the ad would have wasted production dollars. This is particularly true in local retail advertising where the product or service offer usually has definitive time limits.

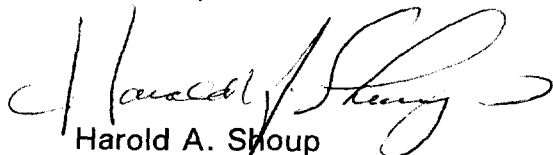
3. An economic burden for local advertisers.

Local advertisers are already at a great financial disadvantage when they voluntarily caption their commercials. Production costs for television commercials are comparatively high for small and local marketers and the \$300 average charge to add overnight captioning could put the television medium beyond the reach of some. This not only would negatively affect the marketer but also would prevent valuable information from reaching the consumer.

Conclusion

AAAA continues to support the successful voluntary captioning initiatives that currently exist within the advertising industry. We urge the FCC to exempt advertising from captioning requirements, and we thank you for this opportunity to comment.

Sincerely,



Harold A. Shoup
Executive Vice President
American Association of
Advertising Agencies
1899 L Street, NW
Washington, DC 20036
(202)331-7345